



DOE review completed.

Department of Energy
Washington, D.C. 20461

July 31, 1979

MEMORANDUM FOR THE RECORD

FROM: RICHARD JOHNSON *RJ*

SUBJECT: MEETING ON THE SUPPLY OF MOTOR GASOLINE
FOR FEDERAL LAW ENFORCEMENT AGENCIES

On July 10, 1979 at 10:00 a.m. a meeting was conducted under the auspices of the Economic Regulatory Administration to discuss the problems experienced by Federal law enforcement agencies in obtaining motor gasoline and to seek alternative means of supply to resolve these problems. Representatives of the following government organizations attended:

- Department of Energy
- Department of State
- Department of Justice
- Treasury Department
- Department of Interior (not in attendance)
- Department of Agriculture (not in attendance)
- Department of Labor
- Department of Defense (DOD)
- General Services Administration (GSA)
- U.S. Postal Service (USPS)
- Central Intelligence Agency
- U.S. Secret Service
- U.S. Customs Service
- Bureau of Alcohol, Tobacco and Firearms
- Defense Fuel Supply Center
- Internal Revenue Service
- Federal Bureau of Investigation
- U.S. Coast Guard
- Appalachian Regional Commission

We were informed that the Federal law enforcement agencies have for the most part relied on GSA and oil company credit cards for gasoline purchases at retail service stations. The agencies asserted this means of obtaining gasoline is not satisfactory in a shortage situation as gas lines, odd/even purchase days, and station closings hinder the performance of essential duties, particularly in law enforcement areas. A number of problems were mentioned in connection with the gasoline shortage. These included suppliers not delivering the full quantity of gasoline to which the motor pool operator

was entitled, the practice on the part of some retail station operators of refusing to accept GSA credit cards, GSA's allocation level of base period subject to a fraction, the difficulty experienced by ERA in alleviating the problem in areas such as New York City, Miami and others.

The general consensus among the participants was that even though the current gasoline problems were to disappear, an alternate gasoline supply system should be established as soon as possible to prepare for possible future supply dislocations. The suggested long-term solution to the problems to which many of the attendees agreed, is to provide service to the law enforcement agencies through motor pool facilities operated by GSA, USPS and DOD. Pending the development and implementation of a system, the Office of Petroleum Operations will assist, to extent possible, in resolving the most critical gasoline supply problems.

It was suggested that a task force be established to oversee development of the system with the ERA representative as chairman.

A critical feature of any permanent supply system will be inter-agency agreements between the supplying agencies and the agencies receiving the refueling services. These agreements are the responsibility of the agencies concerned. It was recognized that such agreements may include the expenditure of funds for capital equipment such as storage tanks and pumps.

At the meeting, it was pointed out that the regulations pertaining to the allocation of motor gasoline for DOD and other users were in the process of being revised. The exact nature of the changes and the wording of the revised regulations were not known at the time. The revised regulations were subsequently published in the Federal Register on July 19, 1979, a copy of which is attached to this memorandum.

The revised gasoline allocation regulations change the allocation levels for DOD's essential military and readiness-oriented operations, USPS truck use and emergency services, including law enforcement, to one hundred percent of base period use not subject to an allocation fraction. All other general governmental use continues at an allocation level of

one hundred percent of base period use subject to a fraction. This change which deleted the current requirements allocation level has the effect of preventing the upward certification of additional requirements by DOD and USPS facilities to provide refueling service for Federal law enforcement vehicles.

Under the regulations those governmental users, that during the updated November 1977 - October 1978 base period were not bulk purchasers of gasoline from fixed governmental locations, do not have an allocation entitlement. Therefore, each such user (as part of a "firm") must make application to ERA for an assignment of a base period volume and supplier for each motor pool location of DOD, GSA, or USPS that will provide refueling service for another agencies vehicles. Therefore, it will be necessary to develop the following information for each motor pool location:

- a. Motor pool location and operator (DOD, GSA, USPS).
- b. The base period supplier(s) and the volumes of gasoline supplied during each month of the base period (November 1977 through October 1978) and the agencies that received the gasoline.
- c. The number of vehicles by type (sedan, truck), by agency (Secret Service, U.S. Customs, etc.) which will require refueling service. These should be limited to operational essential vehicles only and should not include administrative vehicles.
- d. The requested base period volume by month for a twelve month period November through October for each agency receiving refueling service. Wherever possible this volume should be related to the actual fuel consumed by these vehicles (c above) in the base period or if such data is not available the method used to estimate such volumes.
- e. The suggested base period supplier if different from the base period supplier to that motor pool.

Within a reasonable time after distribution of this memorandum, ERA will convene a meeting of the task force to discuss details of the suggested system and problem areas.

Attachment

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